



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: 1/24&25/2001 / 9:30a.m.-11:30a.m.
Date of Last Inspection: 12/11&12/2000

Handwritten signature/initials

Mine Name: Horizon Mine County: Carbon Permit Number: 000001
Permittee and/or Operator's Name: Lodestar Energy, Inc.
Business Address: HC 35 Box 370, Helper, Utah 84526
Type of Mining Activity: Underground XXX Surface _____ Prep. Plant _____ Other _____
Company Official(s): Richard Richie (1/24/2001), David Miller (1/26/2001)
State Official(s): Bill Malencik Federal Official(s): None
Weather Conditions: Cold, Temp in Teens, Snow on the mine site
Existing Acreage: Permitted 317 Disturbed 9 Regraded _____ Seeded _____
Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 1/24&26/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

GENERAL COMMENTS

Did a complete inspection of the Horizon Mine. Priscilla Burton accompanied the undersigned on the field inspection. The items that were discussed with Mr. Richie included: #3-Topsoil, #4C-Sediment Control, and #7-High Ash Coal. See numerical items listed below for details of discussion.

Saw three Golden Eagles on the Gordon Creek Road on the way up to Horizon.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The current DOGM permit on patented land, minerals, and with a BLM right-of-way are included in the current authorization. The permit expires 10/1/2001. There are two conditions. The first dealing with the midterm. The second not moving any federal coal until all the permits are in place. Reclamation agreement was reviewed and was dated July 14, 1999.

UPDES permit expires 7/13/2003.

Air Quality Order is on file and the modification was dated 11/7/2000.

SPCC plan was on file and dated 6/4/1999. The plan must be re-certified every three years.

2. SIGNS AND MARKERS

All permittee identification signs meet the requirements of the coal rules. The perimeter markers were checked. No problems were noted. Horizon is on a stream. They have stream buffer zones below the sediment pond. All topsoil piles have proper signs for identification.

3. TOPSOIL

The topsoil piles were inspected and no signs of wind or water erosion was evident. These piles are protected by berms and vegetative cover. The lower area will be re-evaluated this spring and a determination will be made if it needs to be re-seeded.

4A. HYDROLOGIC BALANCE: DIVERSIONS

All diversions are designed. All diversions are in working order.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 1/24&26/2001

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment pond is designed. The fourth quarter pond inspection report was inspected and reported on 10/30/2000. The report was certified. The pond was not discharging. The pond bottom was barely covered.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Snow was pushed over the embankment. This was in the Jewkes Creek and did not reach the stream. Snow must be treated similar to disturbed runoff. Mr. Richie said he would clean up the snow spill immediately.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The water monitoring reports for the fourth quarter were reviewed. The mine was not discharging water.

The fourth quarter records reviewed included ground water and surface water items. Dave Miller wrote a letter to the Division stating they did not have an agreement with Stamatakis prior to January 3, 2001. This agreement was signed on January 3, 2001. Because of snow and the inability to access Mr. Stamatakis' property, four monitoring wells were missed in the fourth quarter. The four wells included HZ-95-1, HZ-95-15, HZ-95-2, and HZ-95-3.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The UPDES report was submitted for the month of November.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The belt line has been rolled up and is stored in the noncoal waste approved storage area.

The matter of coal mine waste has been settled with the understanding that what was referred to as coal waste is high ash coal. This was documented in the board chairman's decision. A hearing was held on April 13, 1999 on a coal waste matter. Horizon took the position that the material was coal. The Division took the position the material was coal waste. The Board ruled in favor of Horizon.

High ash coal pile is being loaded into trucks. We observed two trucks. As mentioned in the last inspection, the mine manager states that Horizon would pay the AML fees.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 1/24&26/2001

16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

The mine had pulled back the coal piles from the road. The pile is about 30 feet from the road ditch. Deer killed on the Consumer's highway was covered in a memo to the Division of Wildlife.

The road ditch needs to be regraded.

The matter of distance prohibitions was previously discussed. My understandings are as follows:

- 1) Horizon can not use the county road to load coal. Horizon does not have a permit on the county road. Loading coal from a public road is a hazard. The Division, in its midterm review of the Horizon permit in June 1999, mentioned this to the operator.
- 2) The county ditch that drains into the sediment pond must not have coal in it. Horizon does not have a permit on the county road.
- 3) The snow storage area lies immediately adjacent to the road. When it is not being used for snow storage, like during the summer months, the mine can store coal on the area as long as the coal does not get into the county ditch. This rationale is based on my interpretation of the coal map.

21. BONDING AND INSURANCE

The bonding and insurance documents are of record and are contained in the inspection's looseleaf booklet maintained by the mine. Received new liability insurance documents from the Division this month and it is good until the last of August 31, 2001. The reclamation agreement is dated July 14, 1999.

Inspector's Signature: _____


Wm. J. Malencik #26

Date: January 25, 2001

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

sd

cc: James Fulton, OSM
David Miller, Lodestar
Price Field office

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